

Message Text

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64

ACTION ARA-10

INFO OCT-01 ISO-00 EB-03 AGR-03 OMB-01 TRSE-00 STR-01

COME-00 SWF-01 AID-05 CIEP-01 CIAE-00 DODE-00 PM-03

H-01 INR-10 L-02 NSAE-00 NSC-07 PA-01 RSC-01 PRS-01

SP-02 SS-14 USIA-04 TAR-01 DRC-01 /074 W

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R 072044Z OCT 74

FM AMEMBASSY PANAMA

TO SECSTATE WASHDC 1979

INFO AMEMBASSY SAN JOSE

AMEMBASSY TEUGICGALPA

USSOUTHCOM

C O N F I D E N T I A L PANAMA 5851

EO 11652: GDS

TAGS: ETRD, PN

SUBJ: BANANAS: BANANA EXPORT TAX

REF: PANAMA 5654

1. IN RESPONSE TO EMBASSY'S LATEST INQUIRY CONCERNING DETAILS OF PANAMANIAN UNILATERAL BANANA EXPORT TAX AMENDMENT WHICH WERE PROMISED EARLIER, COMMERCE MINISTRY REPORTS THAT PLAN IS STILL UNDER REVISION. NO OFFICIAL ANNOUNCEMENT HAS BEEN MADE CONCERNING TAX. A LOCAL PRESS REPORT THAT THE NEW TAX WOULD "SLIDE" DOWN TO 25 CENTS A BOX FOR SHIPMENTS OF 600,000 BOXES A WEEK WAS SUBSEQUENTLY "CORRECTED" TO INDICATE TAX ON SHIPMENTS OF THAT MAGNITUDE WOULD BE AROUND 51 CENTS A BOX. PRESS HAS ALSO ALLUDED TO "PROFIT SHARING FORMULA" MENTIONED REFTTEL WHEREBY HONDURAS WOULD BENEFIT FROM INCREASED PRICES RECEIVED FOR PANAMANIAN BANANAS.

2. LOCAL UNITED BRANDS REP HEYL REPORTS THAT COMMERCE MINISTER MANFREDO PASSED CERTAIN DETAILS OF TAX PLAN UNDER CONSIDERATION

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TO UB VICE PRESIDENT TAYLOR WHEN BOTH WERE IN HONDURAS, BUT

LOCAL OFFICE HAS NOT YET RECEIVED THEM. HEYL STATES THAT UB VICE PRESIDENT JOHNSON IS PREPARED TO RETURN TO PANAMA TO BEGIN DISCUSSIONS WITH MANFREDO AND AGRICULTURE MINISTER GONZALEZ ON PURCHASE BY GOP OF COMPANY'S PRODUCTIVE FACILITIES IN PANAMA, BUT NO DATE HAS YET BEEN SET FOR MEETING.

3. UB HAS NOW FILED SUIT AGAINST GOP LEVY OF ORIGINAL EXPORT TAX, AS WAS EXPECTED, CLAIMING THAT COMPANY IS REQUIRED TO PAY ONLY 2 CENTS PER STEM TAX UNDER ITS CURRENT CONTRACT WITH GOVERNMENT.

JORDEN

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Message Attributes

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Decaption Note:
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Disposition Authority: elyme
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
Disposition Remarks:
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US Department of State
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30 JUN 2005

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